

PINNACLE PERFORMANCE LIMITED

PINNACLE NOTES SERIES 9 AND 10

This notice is issued by Pinnacle Performance Limited, the Issuer of the Pinnacle structured note programme (the “**Pinnacle Notes**”) offered to the retail public in Singapore through certain financial institutions appointed for this purpose as Distributors.

A mandatory redemption event has occurred in relation to Series 9 and 10 of the Pinnacle Notes which were each issued on 14 December 2007 (the “**Series 9 and 10 Notes**”). The Series 9 Notes are SGD Fixed Rate First-to-Default Credit-Linked Notes due 2013. The Series 10 Notes are SGD Fixed Rate First-to-Default Credit-Linked Notes with Equity Bonus Coupon due 2013. Morgan Stanley Asia (Singapore) Pte, a licensed financial institution in Singapore, was the Arranger of the Pinnacle Notes. The Distributors of the Series 9 and 10 Notes were DMG & Partners Securities Pte Ltd, Hong Leong Finance Limited, Kim Eng Securities Pte. Ltd., OCBC Securities Private Limited and UOB Kay Hian Pte Ltd.

A mandatory redemption event has occurred because there has been a writedown of the outstanding principal amount of the underlying assets held for the Series 9 and 10 Notes. This principal writedown resulted from credit events having occurred with respect to each of Federal Home Loan Mortgage Corporation (Freddie Mac), Federal National Mortgage Association (Fannie Mae), Lehman Brothers Holdings Inc, Kaupthing Banki hf and Landsbanki Islands hf. As a consequence, the Series 9 and 10 Notes are now subject to a mandatory early redemption process. The underlying assets will be sold in accordance with the terms of the Series 9 and 10 Notes. The Issuer expects to be in a position to redeem the Notes within approximately four to six weeks. Investors in the Series 9 and 10 Notes will be notified of the redemption amount payable to investors in accordance with the prescribed process. However, given current market values, investors are likely to lose all of their original principal investment.

No mandatory redemption event has occurred, as of the date of this notice, in relation to other series of Pinnacle Notes (being Series 1, 2, 3, 5, 6, 7, 8, 11, 12, 15 and 16). However, the Issuer can give no assurance as to whether redemption events will or will not occur in the future in relation to any of these other series of Pinnacle Notes.

Any questions from investors on the marketing and sale of the Pinnacle Notes should be directed to the Distributor which sold the Pinnacle Notes to them. Information in relation to the structure of and offering documents for the Pinnacle Notes is available from www.morganstanley.com/pinnaclenotes or + 65 6834-6511 (from 9.00am to 12.00pm Monday to Friday).